Cases Registered in Scam Scandal

4371. DR. BAPU KALDATE: Will the Minister of FINANCE be pleased to state:

(a) the number of cases registered as on date against the persons involved in the Scam scandal; and

(b) what are the names of such persons and what is the present stage of those cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Information is being collected and will be laid on the Table of the House.

Security System in Public Sector Banks in the Capital

4372. MISS SAROJ KHAPARDE: Will the Minister of FINANCE be pleased to state:

(a) whether all the public sector banks in the Capital have adequate and proper security systems;

(b) if so, the details thereof; and

(c) if not, what steps Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) The public sector banks have been advised of several measures for strengthening their security arrangements. These include classification of branches into specified categories depending on various factors, setting up of Central Security Cell in Reserve Bank of India for looking into all aspects of security and to provide guidelines to banks relating to security arrangements, constitution of State level security committees, etc. These measures are applicable to branches of public sector banks in the Capital also. Security measures implemented by the banks are reviewed on an on-going basis and such further action as considered appropriate is taken.

Firms told to disclose and use of Eurofunds

4373. SHRI VIREN J. SHAH:
SHRI PRAMOD MAHAJAN:
SHRI SATISH AGARWAL:
Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the news item which appeared in the Economic Times of 27th September, 1994 under the caption, "Firms told to disclose end use of Eurofunds";

(b) if so, what are the facts and the relevant details in this regard;

(c) how many companies were allowed to raise funds from abroad and to what extent;

(d) by which date the companies have been asked to furnish the requisite details about the utilisation of the funds to the Department of Economic Affairs;

(e) whether any case of diversion of the funds to the stock markets has been detected, if so, what are the necessary details in this regard; and

(f) what action has been taken against such companies for the irregular diversion of funds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b): Yes, Sir. In order to ensure that the Euro issue proceeds are utilised to meet specified enduses, the issuer companies have been required to disclose the details of development of the Euro issue proceeds.

(c) and (d): As per the reports from the Reserve Bank of India (RBI), so far 60 companies have obtained approvals and launched Euro issues for US $ 4839.426 Million plus Swiss Fr. 20 million. The companies are required to submit quarterly reports duly certified by their Auditors to the Government and RBI on the utilisation of the Euro issue proceeds including interim deployment.

(e) No irregular diversion has been detected.

(f) Does not arise.

Violation of RBI Guidelines by Indian and Foreign Banks

4374. SHRI VIREN J. SHAH:
SHRI PRAMOD MAHAJAN:
SHRI SATISH AGARWAL:

Will the Minister of FINANCE be pleased to state:

(a) what steps have been taken by the Reserve Bank of India to ensure strict observance of its guidelines by different Indian and Foreign banks;

(b) which of the banks had violated these guidelines during the last three years, year-wise and what are the details in this regard;

(c) what penalities were imposed on each of the erring banks for violation of the guidelines; and

(d) which of the banks have not yet paid the penalities imposed upon them and what steps Government have taken or propose to take to realise the penalty amounts?

THE MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Presumably the Question refers to guidelines issued by Reserve Bank of India regarding priority sector lending. Commercial banks have been advised to lend certain proportion of thier credit to priority sector. The targets and sub-targets stipulated for banks in this regard are as under:—

Commercial Bank	Indian Scheduled	Foreign Banks operating in India
(i) Advances to priority sector	40% of net rbank credit	32% of net bank credit
(ii) Advances to Agricu'ture	18% of net bank credit	No target has been stepula'ed
(iii) Advances to weaker Section	10% of net bank credit.	Do.
(iv) Advances to Small Scale Industries	No sub-target has been stipulated.	10% of net bank credit.
(v) Export credit	Does not form part of priority sector.	10% of net bank credit.

(b) List of banks which have failed to achieve the priority sector lending target during the last three years is furnished in the statement. (See below).

(c) and (d) Foreign banks operating in India are required to made good the shortfall if any, in achieving the stipulated target by planning a deposit of an amount equivalent to the shortfall with the Small Industries Development Bank of India (SIDBI)) for a period of one year. All foreign banks whch have not achieved the priority sector lending target of loan made good the shortfall in achieving the target by placing deposits with SIDBI as stipulated by RBI.

The Indian Scheduled Commercial banks whose performance is found to be below the stipulated target are advised from time to time to improve their performance and achieve the target at the earliest. No penalty has been imposed, so far on the Indian scheduled/Commercial Banks.